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Fewer livestock on farms and smaller feed grain supplies will mean less meat in 1948.

Meat production this year is expected to drop around 2 billion pounds or nearly 10 percent below the 1947 output of 23.3 billion pounds, but will be far above 1937-41 average of 17.7 billion. Last year, meat output was slightly larger than in 1946, and only 8 percent below the 1944 peak.

Output of all kinds of meat is likely to be below 1947. Cattle and calf slaughter again will be large but will fall below the record of 36 million head estimated for last year. About 5 million fewer hogs will be killed than the 75.5 million in 1947. Output of lamb and mutton will be down.

Meat animal prices climbed in December, despite fact that meat production was at a seasonal peak, and continued to move up after New Years. In mid-January, prices were highest on record and 24 percent above a year earlier. Further increases are expected since meat output will decline through the summer while consumer incomes stay high.

Meat animal prices gained only slightly more in 1947 than farmers' prices generally. The index of prices received by farmers was 307 in January, 2 percent above December and 18 percent above a year earlier.

Biggest gain from January 1947 to January 1948 was a 73 percent rise in feed grains and hay. Other advances: food grains, 44 percent; truck crops, 34 percent; poultry and eggs, 15 percent; oil bearing crops, 12 percent; dairy products, 7 percent.

Declines in prices of tobacco and fruit were exceptions to general trend. Former fell 6 percent; latter 31 percent. Drop in exports is chiefly responsible.

Prices paid by farmers in 1947, including interest and taxes, kept pace with those they received. In January the index was 251, 2.4 percent above December and 17 percent above January 1947. The parity ratio--the index of prices received divided by the index of prices paid--was 122 in January, about the same as a year earlier.

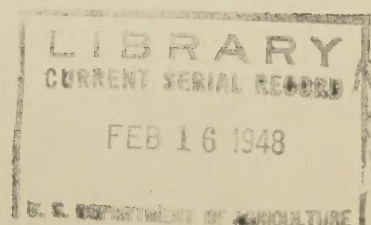
Wholesale prices were moving up at a rate of 2 to 3 percent a month in the first half of January. The BLS index was 163 in December, 3 points above November and 16 percent above December 1946. Manufacturers are raising prices of many goods. In addition, steel, autos and some building materials are being sold in gray markets at prices above those of the manufacturers.

Despite rising prices, market continues to absorb record peacetime output of industry. Industrial production in December, according to the Federal Reserve index, was 191 percent of 1935-39 average, 1 point below the November record. Average output for 1947 was 10 percent above 1946. In December, steel and motor vehicle output was a record. Nondurables slackened a bit.

Housing boom was one of chief supports of business activity in 1947. Joint report of BLS and Office of Domestic Commerce says 860,000 permanent nonfarm dwelling units were started in 1947 compared with 670,500 in 1946 and the 1925 record of 937,000. Number of houses completed was 835,000, nearly double that of 1946.

Residential building will continue high in 1948, report predicts. Volume may be up 10 percent from 1947; value, 20 percent.

Personal incomes climbed slightly from October to November. For the first 11 months of 1947, they averaged at an annual rate of 196.4 billion dollars; about 20 percent above a year earlier.



Cash receipts from farm marketings totaled about 2.6 billion dollars in January, slightly less than in December but 16 percent above January 1947 and a record for the month.

High employment continues to help hold incomes up. In December, 57.9 million persons were at work, 700,000 fewer than in November but 1.6 millions more than a year earlier. Nonagricultural employment reached a record of 51.0 millions but the number of workers on farms declined seasonally.

WHEAT January 1 stocks report indicates that over 650 million bushels of wheat disappeared in July-December 1947 out of 1,449 million bushels on hand July 1. Food use is estimated at 265 millions, seed at 65 millions, exports and shipments at 258 million. This indicates that only 65 million bushels were fed.

In January-June, about 245 million bushels of wheat are expected to be used for food, about 25 millions for seed. Feed use is more difficult to estimate but will be from 125 million to 175 million bushels. This would leave from 200 million to 250 million bushels for export in January-June if stocks are down to 150 million by July 1, the legal minimum. Exports for the year could then total from 450 million to 500 million bushels.

FEEDS Most feed prices reached record levels in late December. By mid-January, feed grain prices were up 90 percent from a year earlier; wheat millfeeds, more than 100 percent; most other high protein feeds, about one-third.

Stocks of corn, oats and barley were 61 million tons on January 1, a fourth below a year earlier. Hay stocks were about the same as last January and well distributed regionally.

DAIRY PRODUCTS In recent months, a larger proportion of milk has gone into whole milk uses than a year earlier. In December, butter production was 18 percent less than a year earlier and the lowest for the month since 1920. Margarine output passed that of butter for the first time in November.

Prices of fluid milk and manufactured products are at record or near-record levels.

POULTRY AND EGGS Egg consumption in November and December was highest on record for the two months, except possibly in 1946. Consumption is likely to continue high but supplies probably will exceed demand at support levels during flush production this spring. Egg prices are likely to continue near support levels through 1948.

FATS AND OILS Large consumer incomes and high industrial activity are expected to hold demand for fats and oils strong for several months. As a result, changes in prices of fats and oils will depend mainly on changes in supply. Supply outlook indicates that prices of drying oils may average somewhat less than in 1946-47, soap fats about the same; food fats and oils slightly higher.

FRUITS AND VEGETABLES Supplies of fruit are large, export demand is off and domestic demand for fruit is no stronger than last winter. As a result, prices probably will average lower than a year ago. Citrus prices probably will rise less than seasonally after the late winter harvest peak is passed.

Demand for fresh vegetables will continue strong through the first quarter of 1948. In January, it was estimated that production will be larger than in January-March 1947. Prices received by farmers for most crops will average less than in early 1947. Demand from processors for cabbage for sauerkraut will be stronger this spring than the unusually low demand a year earlier; demand for green peas and cucumbers for pickles will be weaker; that for other processing crops about the same.

Prices farmers will receive for potatoes in February and March probably will be seasonally higher than in January; moderately higher than a year earlier. Sweetpotatoes also probably will rise seasonally in the next two months but will be about the same as a year earlier.

COTTON AND WOOL Mid-January prices of cotton continued near the season's high. Premiums for longer lengths continue to widen. About 805,921 bales were sold in the spot markets in December, more than in any other December except 1940.

Prices of good quality wools were as strong after markets reopened in January as they were before the holidays.

TOBACCO About 90 percent of the 1947 burley crop has been sold. Prices through January 23 averaged 48.8 cents per pound compared with 40.2 cents in January 1947.

Fire-cured auctions in Kentucky and Tennessee opened in early January. The price in the Eastern district (type 22) averaged 31.3 cents through January 23 compared with 27.4 cents last January. Prices in the Western district (type 23) averaged 27.4 cents per pound compared with 22.5 cents a year earlier. After the holidays, Virginia fire-cured prices were higher than December average of 27.4 cents a pound. Average for sales through January 23 was 29.6 cents compared with 30.5 cents in January 1947.